VZCZCXRO4333 RR RUEHLMC RUEHVK DE RUEHUM #0006/01 0040041 ZNR UUUUU ZZH R 040041Z JAN 08 FM AMEMBASSY ULAANBAATAR TO RUEHC/SECSTATE WASHDC 1784 INFO RUEHUL/AMEMBASSY SEOUL 3114 RUEHLO/AMEMBASSY LONDON 0246 RUEHML/AMEMBASSY MANILA 1590 RUEHBJ/AMEMBASSY BEIJING 5925 RUEHBK/AMEMBASSY BANGKOK 1676 RUEHKO/AMEMBASSY TOKYO 2810 RUEHSH/AMCONSUL SHENYANG 0426 RUEHVK/AMCONSUL VLADIVOSTOK 0210 RUEHMO/AMEMBASSY MOSCOW 2044 RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC RHMFIUU/HQ EPA WASHINGTON DC 0032 RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RUEAUSA/DEPT OF HHS WASHINGTON DC RUEHPH/CDC ATLANTA GA

UNCLAS SECTION 01 OF 02 ULAANBAATAR 000006

STPDTS

SENSITIVE SIPDIS

STATE FOR EAP/CM and EAP/EX, MANILA AND LONDON PASSS TO ADB, EBRD USEDS BANGKOK FOR USAID RDMA

E.O. 12958: N/A

TAGS: MG

SUBJECT: WARNING: TAINTED LOCAL VODKA KILLS 11 IN MONGOLIA

SENSITIVE BUT UNCLASSIFIED - NOT FOR INTERNET DISTRIBUTION.

1.(SBU) SUMMARY, INTRODUCTION, AND COMMENT: During New Year's celebrations in Mongolia, eleven people died, four remain in critical condition, and scores were hospitalized of the 60-plus persons affected from drinking methanol-tainted vodkas produced by 'Aziin Chono" or Asian Wolf (AW), an alcoholic beverage production company located in the Baganuur district east of Ulaanbaatar. The Government of Mongolia (GOM) responded with great urgency to this serious event. Its emergency and law enforcement agencies, responding to quick, decisive Cabinet leadership, coordinated their activities effectively by identifying and isolating tainted products, apprehending potential culprits quickly, and swiftly notifying the public of the problem. However, some officials are concerned that the Cabinet-mandated certification of all alcohol products sold in Mongolia by January 20 is premature and beyond the GOM's capacity to execute. It remains to be seen whether the GOM may have over-reacted with total ban on all vodka sales until safety can formally assured of each product as well as its demand for complete certification and. At the moment, no one is complaining of not being able to imbibe, although retailers and customers may become impatient if the ban extends into the February 8-10 Lunar New Year. END SUMMARY, INTRODUCTION, AND COMMENT.

Cheap Vodka The Wrong Holiday Spirit!

12. (SBU) According to the Mongolian State Specialized Inspection Agency (SSIA), AW bottles seven types of cheap vodkas (Tugruk 1,200 or about US\$1 a bottle), heavily in demand during the holiday period and primarily distributed in eastern Mongolia. The SSIA reported that these bottled vodkas contained methanol spirits normally used for non-food, industrial purposes. The allowed level of methanol spirit in beverage is 0.05 to 0.1 %, but these vodkas contained methanol amounts ranging from 9.5% to 31%.

AW Production Manager Reportedly the Perpetrator; Methanol Supposedly Traced to Chinese Traders 13. (SBU) Mongolian officials did not consider Asian Wolf's Director a suspect in the poisonings as the Director himself of Asian Wolf Company was poisoned by his own vodka and remains hospitalized. Instead investigators have turned to a production manager, a relative of the poisoned Director, who admitted to investigators that that tainted vodkas were made of two 600 liter barrels of spirits purchased by brothers called Bayarbaatar and Bayarsaikhan. These brothers stated that they bought those spirits from some nameless Chinese traders two years ago. TV reports claim that the production manager was supposed to have used a more expensive ethanol spirit to produce the vodkas but employed the cheaper spirits sold by the two brothers without the knowledge of the Asian Wolf's senior management. The police are continuing their investigation and have detained the brothers for further questioning.

Swift Notification

14. (U) The SSIA warned the public, especially those in eastern provinces, by radio, TV, and papers, not to buy any vodka produced by Asian Wolf Company. Fortunately, no cases of methanol poisoning have been reported in the eastern provinces.

Cabinet Takes Specific, Decisive Action. . .

15. (SBU) The seriousness of the issue was highlighted by direct Cabinet-level involvement in the case. During the most recent Cabinet meeting (January 2), the Cabinet ordered that the GOM provide necessary medicines to the victims; find and destroy all tainted vodkas immediately; inspect all alcoholic beverages for

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quality and health before January 20; cease issuance of special license to produce alcoholic beverages and inspect operations of alcohol production companies; and establish a working group to prepare proposals on how to improve the control of spirit product imports, distribution and concepts on food safety. That working group will be headed by Deputy Prime Minister Enkhbold.

. . .But are Cabinet Mandates too tough?

16. (SBU) However, our contacts at the SSIA report that this Cabinet mandate is a daunting task. There are 114 vodka producing companies in Mongolia. In every aimag there are at least 2-3 alcoholic drink-making factories, very often owned by local governors or officials in the name of their family members who have received special licenses to produce vodka from officials who have vested interests in the continued production of spirits. Cheap local vodka is reportedly often made from illegally imported Chinese spirits, many often used for technical and industrial purposes. In addition, many firms import wines and spirits, which presumably will have to be tested. Given the sheer volume of products, it is unlikely that the inspection apparatus can comply with the January 20 deadline. In fact, a comprehensive inspection may take months, and given that the Lunar New Year's celebration requires the consumption of vodka and other potables, it is unlikely that the GOM will be able to hold line on a comprehensive ban on all alcohol products.

Certification Requirements and Sales Ban: GOM's Reaction An Over-reaction?

17. (SBU) Officials said that each barrel could yield some 3,000 liters of vodka. Asian Wolf brands are bottled in half-liter containers, suggesting a production run of 12,000 bottles of pure methanol-poisoned vodka, though the figure could be much higher given it was apparently diluted with other liquids. SSIA officials and the State Police ordered all Asian Wolf products seized. In addition, officials banned all alcohol sales for the Baganuur District of Ulaanbaatar where most of the fatalities and victims lived. The government has banned the sale of vodka in the capital city for an indefinite period. As of January 2, 2007 about 300,000 bottles of alcoholic drinks in shops were sealed off and not for

sale. (Note: An Emboff observed the liquor area of one supermarket on January 1 had been cordoned off and bottles were being removed from the shelves.) However, sources have told our Commercial Officer that despite the ban, under the table sales of certain brands of canned and bottled alcoholic beverages are occurring at bars and retail outlets.

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